

Message Text

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42

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 L-02 IO-10 PM-03 SP-02

/046 W

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P 141237Z APR 75

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC PRIORITY 2972

LIMITED OFFICIAL USE BUDAPEST 1013

E.O. 11652: N/A

TAGS: EAIR, HU

SUBJ: PAN AM SERVICE TO BUDAPEST

REF: BUDAPEST 1004

1. AS PROMISED BY HUVOS IN APRIL 10 MEETING, EMBASSY WAS PROVIDED WITH GOH PROPOSED REVISIONS IN DRAFT NOTE APRIL 14. ONLY MAJOR REVISION CONSISTS OF REQUEST TO EXPAND MALEV RIGHTS IN U.S.

2. BEGIN TEXT:

A. I HAVE THE HONOR TO REFER TO THE AIR TRANSPORT AGREEMENT OF MAY 30, 1972. PURSUANT TO THAT AGREEMENT, THE UNITED STATES GOVERNMENT DESIGNATES PAN AMERICAN WORLD AIRWAYS, INC., AS THE U.S. AIRLINE WHICH WILL OPERATE THE ROUTE LISTED IN PARAGRAPH A OF THE SCHEDULE AGREEMENT.

B. THE EXCHANGE OF NOTES ATTACHED TO THAT AGREEMENT PROVIDE THAT AIR SERVICES BY THE DESIGNATED AIRLINE OR AIRLINES OF EITHER PARTY WILL NOT BE INAUGURATED WITHOUT FURTHER AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO ANY MATTER COVERED BY THE AGREEMENT. IN ORDER TO PERMIT THE INAUGURATION OF SERVICE BY PAN AMERICAN WORLD AIRWAYS BEGINNING MAY 22, 1975, I HAVE THE HONOR TO PROPOSE, ON BEHALF OF MY GOVERNMENT, THAT A FURTHER AGREEMENT BE

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ENTERED INTO, AS CONTEMPLATED BY PARAGRAPH 1 OF THE ABOVE-

MENTIONED EXCHANGE OF NOTES, AS FOLLOWS:

(1) THE U.S. DESIGNATED AIRLINE WILL BE PERMITTED TO INAUGURATE SERVICE TO BUDAPEST BEGINNING MAY 22, 1975, PURSUANT TO THE PROVISIONS OF THE AIR TRANSPORT AGREEMENT.

(2) THE U.S. DESIGNATED AIRLINE WILL ENJOY THE RIGHTS SPECIFIED IN PARAGRAPH B OF ARTICLE 13 IN SO FAR AS THE SALE OF AIR TRANSPORTATION FOR CONVERTIBLE CURRENCY IS INVOLVED. SALES OF AIR TRANSPORTATION FOR HUNGARIAN CURRENCY ON THE WORLD-WIDE SERVICES OF THE DESIGNATED AIRLINE OF THE U.S. WILL BE MADE BY THE AIRLINE OF HUNGARY, ACTING AS THE GENERAL SALES AGENT FOR THE U.S. DESIGNATED AIRLINE.

(3) THE REVENUES EARNED FROM SALES PERFORMED UNDER PARAGRAPH 2 ABOVE MAY, AT THE OPTION OF THE DESIGNATED AIRLINE OF THE UNITED STATES, BE USED IN WHOLE OR IN PART TO COVER ITS LOCAL EXPENSES CONNECTED WITH THE OPERATION OF ITS AIR SERVICES AND WITH THE ACTIVITIES OF ITS LOCAL REPRESENTATIVES AND, WITH THE APPROVAL OF THE HUNGARIAN AUTHORITIES, FOR OTHER PURPOSES. LOCAL EXPENSES FOR WHICH SUCH REVENUES MAY BE USED INCLUDE RENT AND MAINTENANCE OF OFFICES AND HOUSING, SALARIES OF EMPLOYEES, PURCHASE AND MAINTENANCE OF COMPANY VEHICLES, ADVERTISING, LANDING AND OTHER AIRPORT FEES, AIRPORT GROUND HANDLING FEES, CATERING AND DOMESTICALLY PRODUCED ITEMS NECESSARY FOR THE MAINTENANCE AND SERVICING OF AIRCRAFT SUCH AS FUELS AND LUBRICANTS.

(4) THE AMERICAN REPRESENTATION OF MALEV SHALL HAVE THE RIGHT TO ENGAGE IN SALE OF AIR TRANSPORTATION ON ITS OWN SERVICES AND ON THE SERVICES OF U.S. AIR CARRIERS USING ITS OWN DOCUMENTS.

(5) IN CASE THE U.S. GOVERNMENT FAILS TO PERMIT THE INAUGURATION OF AIR SERVICES BY THE DESIGNATED AIRLINE OF HUNGARY, THE DESIGNATED AIRLINE OF THE U.S. GOVERNMENT AUTOMATICALLY LOSES ITS RIGHTS OF OPERATION.

C. IF THIS PROPOSAL IS ACCEPTABLE TO YOUR GOVERNMENT, I HAVE THE HONOR TO PROPOSE THAT THIS NOTE AND YOUR REPLY TO THAT EFFECT CONSTITUTE A FURTHER AGREEMENT BETWEEN OUR TWO GOVERNMENTS, AS CONTEMPLATED BY PARAGRAPH 1 OF THE EXCHANGE OF NOTES ATTACHED TO THE AIR TRANSPORT AGREEMENT, WHICH SHALL ENTER INTO FORCE TO THE DATE OF YOUR REPLY.
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END TEXT

3. COMMENT: IN VIEW OF SHORT LEAD TIME FOR PROPOSED PAN AM SERVICE, EMBASSY AND GOH WOULD APPRECIATE DEPT'S PROMPT REPLY ON ACCEPTABILITY OF HUNGARIAN PROPOSAL. FOR POST'S OWN USE IN DISCUSSING DEPT'S ANSWER WITH HUVOS, WE WOULD APPRECIATE BACKGROUND GUIDANCE ON DEPT'S READING OF POINT FOUR IN NOTE.

MUDD

NOTE BY OC/T: REFTel NOT AVAILABLE AT THIS TIME.

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Message Attributes

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Draft Date: 14 APR 1975
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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
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